three years, viz. 1991-92, 1992-93 and 1993-94 quanity-wise and cost-wise;

(b) whether there is a proposal to import furnace oil for the first time owing to decline in domestic production;

(c) if so, what are the reasons for decline in domestic production of furnace oil and what quantity of furnace oil together with its cost is proposed to be imported;

(d) how far this shortfall in domestic production of furnace oil has affected the export oriented units, which were being supplied domestically produced furnance oil at international prices; and

(e) what steps Government have taken or propose to take to arrest the declining trend in the indigenous production of furnace oil?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA): (a) The quantity and the value of furnace oil exported is as under:

| | Quantity exported TMT | Value Rs./Crores |
|---|---|---|
| 1991-92 | 583 | 107 |
| 1992-93 | 1003 | 232 |
| 1993-94 | 1288 | 275 |

(b) to (e) Furnance Oil is one of lowest value product in the refinery and refineries are making continuous effort to upgrade this product to higher value like HSD and Kerosene. Due to this production of furnance oil in the current year is estimated to be lower. As per estimates about 240 thousand Metric Tonnes of furnance oil may be imported in the current year at an estimated value of about US $ 20 million. However, there has been no effect in supply of furnace oil to EOUs.

**Agreement by IOC for blending and packaging of lubricants**

2198. SHRI RAMACHANDRAN PILLAI:

SHRI E. BALANANDAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether an agreement has been signed by IOC for blending and packaging of 2500 KL of lubricants;

(b) if so, when was the agreement signed;

(c) what are the salient features of the agreement;

(d) what is the experience of this private party in blending and packaging of lubricants, and what was the mode of choosing this party;

(e) whether there is any unilateral compensation clause as per which IOC has to pay the party if the agreed quantity of lubricants are not supplied to for its capacity utilisation; and

(f) what is the counter compensation?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA): (a) to (f) An agreement was signed between the IOC and Raaj Unocal Ltd. on 22-2-1994 for blending and packaging of IOC lubes as per the IOC's formulation and quality control requirements in the blending plant of the latter at Ballabhgarh about 40 Kms away from Delhi on Delhi—Mathura Road. The duration of the contract would be five years and the party will be paid Rs. 1120 per KL for blending and packaging.

There is no unilateral compensation clause in the agreement. However, a compensation clause has been built in to cover the default in the performance for both the parties.